

MINUTES OF SPECIAL MEETING  
OF  
CALHOUN COUNTY COUNCIL

Calhoun County Council held a special meeting on Thursday, November 3, 2011 at 9:30 A.M. in the Council Chambers of the Courthouse Annex.

Present: Chairman David K. Summers, Jr., Vice Chairman James E. Haigler, Councilmembers Cecil M. Thornton, Jr., John Nelson and Councilperson Helen Carson; also Administrator Lee Prickett, Jr. and Clerk Donna Allread.

The following Press was notified of the meeting by Mail or by fax in accordance with the Freedom of Information: The Calhoun Times and The times and Democrat.

Chairman Summers called the meeting to order.

Invocation was offered by Councilman Nelson.

Motion was made by Mr. Haigler and seconded by Mr. Nelson to go into executive session in reference to Project Luke Update, Project Columbia Update, discussion of a contract with Lempa Farms and a legal briefing from Parker Poe on the Lake Marion Regional Water Agency in reference to contract and membership status.

Council went into executive session.

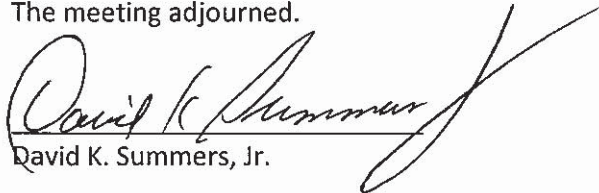
Council returned to regular session.

Motion was made by Mr. Haigler and seconded by Mr. Thornton to execute a letter to Devro Inc. executing a fee in lieu of taxes Inducement Resolution for the benefit of Devro Inc. under the code name "Project Columbia". The motion passed and a copy of the letter is attached to the minutes.

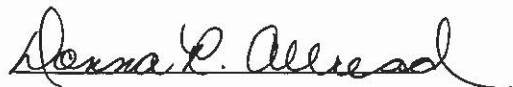
Motion was made by Mr. Thornton and seconded by Mr. Haigler to send a letter to Lake Marion Regional Water Agency with a notice of termination of the Agreement and failure to comply with the Agreement. The motion passed and a copy of the letter is attached to the minutes.

Administrator Prickett gave an update on the Lower County Water System.

The meeting adjourned.



David K. Summers, Jr.



Donna R. Allread

# CALHOUN COUNTY COUNCIL



David K. Summers, Jr., Chairman  
James E. Haigler, Vice Chairman  
Helen R. Carson  
John D. Nelson  
Cecil M. Thornton, Jr.

F. Lee Prickett, Jr., County Administrator  
Donna R. Allread, Clerk to Council

November 3, 2011

Devro Inc.  
C/o George Wolfe, Esquire  
Nelson Mullins Riley & Scarborough  
1320 Main Street, 17<sup>th</sup> Floor  
Columbia, SC 29201

RE: Devro Inc. ("Devro") -- Fee in Lieu of Taxes Agreement with Calhoun County,  
South Carolina

Dear George:

On June 27, 2011, Calhoun County (the "County") adopted a fee in lieu of taxes ("FILOT") Inducement Resolution for the benefit of Devro Inc. under the code name "Project Columbia", relating to Devro's intended investment of approximately \$80,000,000 in taxable property in the County. We understand that Devro is, at this point, not in the position to move forward with Project Columbia. Devro anticipates that authorization to proceed with Project Columbia may occur sometime in property tax year 2012. Once such authorization occurs, the County intends to adopt an ordinance authorizing a FILOT and to enter into appropriate FILOT documents related to Project Columbia with Devro. We understand that Devro has already incurred between approximately \$5,000,000 and \$8,000,000 of preliminary capital expenses related to Project Columbia in property tax year 2011. It is the intention of County Council that, upon approval of Project Columbia, such capital expenses be included in the FILOT (prospectively only) to the fullest extent permitted under South Carolina Code Ann. 12-44-110(2).

Please call us if you have any questions with respect to this letter. We look forward to continuing to work with Devro and make Project Columbia a reality for Calhoun County. Best regards.

Sincerely,

  
Chairman  
Calhoun Council County



# CALHOUN COUNTY COUNCIL

David K. Summers, Jr., Chairman  
James E. Haigler, Vice Chairman  
Helen R. Carson  
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Donna R. Allread, Clerk to Council

November 3, 2011

Johnnie Wright, Sr., Chairman  
Lake Marion Regional Water Agency  
Post Office Box 950  
Santee, South Carolina 29142

*Re: Water Purchase and Supply Agreement ("Agreement") between Calhoun County, South Carolina ("County") and The Lake Marion Regional Water Agency ("LMRWA")*

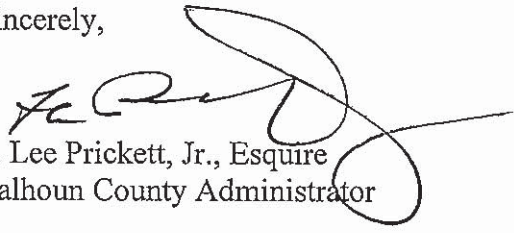
Dear Chairman Wright:

I write to provide LMWRA with the County's notice of termination of the Agreement. LMRWA has failed to comply with, at a minimum, Sections 2.2 and 8.1 of the Agreement. LMRWA's failure to comply with the Agreement has caused the County to alter its plans for providing water to certain portions of the County.

Since joining LMWRA 49 months ago, the County has paid \$50,926.56 in Membership Fees. According to Section 8.1 of the Agreement, LMWRA is required to pay the Member Withdrawal Fee of \$1039.32 in equal installments over the next 49 months to the County.

The County hopes to be able to work with LMWRA in the future.

Sincerely,

  
F. Lee Prickett, Jr., Esquire  
Calhoun County Administrator

cc: David K. Summers, Jr., Chairman Calhoun County Council